

VZCZCXRO7787
OO RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR RUEHTRO
DE RUEHFR #1930/01 2951156
ZNY CCCCC ZZH
O 211156Z OCT 08 ZDS
FM AMEMBASSY PARIS
TO RUEHC/SECSTATE WASHDC IMMEDIATE 4581
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUEHGG/UN SECURITY COUNCIL COLLECTIVE PRIORITY
RHEHNSC/NSC WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 PARIS 001930

C O R R E C T E D C O P Y (ROUTING)

SIPDIS

E.O. 12958: DECL: 10/20/2018
TAGS: [PREL](#) [PHUM](#) [KAWC](#) [FR](#) [UN](#)
SUBJECT: IO DAS ANDERSON DISCUSSES UNITED NATIONS AGENCIES
WITH FRENCH MFA

PARIS 00001930 001.4 OF 003

Classified By: Pol/C Andrew R. Young for reasons 1.4 (B & D).

11. (C) SUMMARY: IO DAS Anderson discussed UN issues on October 10 with French MFA IO-DAS equivalent Marc Giacomini who expressed GOF support for the Immediate Plan of Action reform package being proposed at the FAO conference in Rome on November 19. He noted the importance of presenting a unified front among major contributors on reform issues leading up to the conference. Giacomini noted that a major concern for the GOF was how funding for FAO reform would be paid. The GOF believes that savings from reform would be insufficient to pay for its implementation. The GOF is also concerned about the FAO borrowing from private banks to fill gaps in spending while waiting for contributions to come in, and believe such practices hurt the financial wellbeing of the organization. Regarding the UN budget and split currency assessments at ICAO in Montreal, Giacomini said the GOF was open to the idea but believed it did not always work well when put into practice. The subject is also politically sensitive within the GOF which believes that any currency split be based on the euro, Giacomini said. Giacomini noted that within the UN budget Special Political Missions and Peacekeeping Operations typically cost more than originally proposed, suggesting the need for realistic budget accounting to control costs. The GOF are also encouraged by the internal audit reforms being implemented at UNDP.

12. (C/NF) SUMMARY CONTINUED: Giacomini also commented on several candidates for director general or secretary general positions for several UN and international organizations. Giacomini defended the French candidate for ICAO secretary general Romain Benjamin whose public statements that he would only seek one term were based on the desire to focus a single mandate on reforming the organization. Regarding the IAEA secretary general, Giacomini said the GOF supports the Japanese candidate but realize the Iranians would most likely oppose. On the controversial Egyptian candidate for the UNESCO director general position, Giacomini said that due to tensions between Cairo and Paris, the French would back the U.S. in its opposition to the current Egyptian candidate, Farouk Hosni, but were waiting until more candidates came forward in 2009 before moving on the issue. The GOF is also pleased with reform statements made by new WIPO Director General Francis Gurry. The selection of a new UNCTAD secretary general candidate is more difficult, Giacomini said, because the GOF does not believe developing nations will support a candidate from a major donor country. END SUMMARY.

13. (SBU) IO DAS Gerald Anderson met with French DAS-IO equivalent Marc Giacomini, DAS equivalent for economic affairs Luc Asselin de Willencourt, and MFA IO budget analyst Denis Quenelle in Paris on October 10.

14. (C) IO DAS Anderson began by thanking the GOF for its cooperation and support on United Nations (UN) reform efforts. Anderson noted among the most urgent area of UN reform was regarding the Food and Agriculture Organization (FAO), and the U.S. was hoping to work in concert with like-minded allies leading up to the FAO November 19 conference in Rome. Anderson said that since January 2008, under the leadership of new U.S. representative to the FAO James Butler, the FAO administration has begun to take reform of the organization more seriously. The USG, in conjunction with the Swiss and participation of the French, had now put forward a serious reform package that included significant savings generated through reducing the number of top-level staff by 50 percent. While successes have been noted in these areas, the main problem for the FAO was how to fund the reform, Anderson said. Giacomini agreed but cautioned that the French were tired with the idea that reform must be "costly." The GOF shared the view of the USG regarding the overall approach of reform package, Giacomini said, but the GOF wanted more details to sharpen the areas of "FAO activities." Giacomini recommended that any reform be examined to view its comparative advantage. The French also did not agree with former UN Secretary General Kofi Anan's view that reform measures could be paid for by savings generated from reform, Giacomini said. The French were also not responsible for initiating the current trust fund proposal for FAO reform; in fact, Giacomini said, the idea had been floating around for quite some time.

15. (C) Anderson said the U.S. hoped that during the November conference there would be a resolution to endorse the reform package without specific numbers for funding. He said the

PARIS 00001930 002.5 OF 003

USG believed voluntary contributions would be welcome -- such as the case with Spain which was promoting voluntary funding for the FAO -- but that the USG wanted to avoid discussing this issue. If the reform package was only funded by a handful of developed nations then it would not appear as "real reform." Giacomini noted that a GOF consultant sent to review the FAO in Rome, Mr. Fuller, said reform issues were supported but considered sensitive by many member states because they believed reform implied "choices." Anderson noted that current FAO Director General Jacques Diouf had similar concerns. For example, in recent meetings with USUN officials in New York, Diouf said he was backing FAO reform but concerned about resistance from within his own staff, which Anderson noted was a legitimate concern.

16. (C) Anderson cautioned that the U.S. believed it was better that funding for the reform package not be too precisely defined during the November conference. Giacomini said that for the GOF the main question was how the West should decide between one-time and recurrent expenses. Anderson said the U.S. did not support the idea of charging the regular budget for "recurrent expenses" of the reform. He noted that FAO budget analysts had shown there was a lot of spare capacity in the organization, staffing-wise, which was enough to cover reform expenses. But what was most important was passage of the reform package at the November conference. Regarding solvency of the FAO, Giacomini said that the GOF representative to the FAO noted the organization was preoccupied with delayed donor payments. As a result, private banks were lending to the organization because of its good credit rating, but that such a practice should not be normal for the financial wellbeing of the organization, he said.

¶7. (C) Regarding the secretary general post of the International Civil Aviation Organization (ICAO), Anderson said he would be meeting with French candidate Romain Benjamin in Washington the week of November 13. Anderson noted that Benjamin would be an improvement over current Secretary General Taieb Cherif. The USG's concern with Benjamin was news of his health problems and public statements he made indicating he would only be willing to serve one three-year term, which did not bode well for ensuring the implementation of reform measures, Anderson commented. Willencourt dismissed concerns about Benjamin's health noting he had undergone only minor surgery. Easing any doubts about Benjamin's willingness to serve two terms if elected secretary general, Giacomini said Benjamin's public statements on the issue centered on the candidate's desire to review his mandate after his first term. If his reforms have been working, then Benjamin would seek a second term, Giacomini noted.

UN Split Currency Assessments

¶8. (C) On UN financial matters, Anderson said the USG would support the idea of a split currency assessment for the ICAO if such a proposal was put in place for the 2010 budget, since considerations would have to be made on costs and equipment to implement the change. Other issues to consider were the fluctuation in currency values that could cause big differences in assessments. The French, said Giacomini, were open to the idea of split currency assessments but noted that they did not always work well when put into practice. Furthermore, the subject was politically sensitive in France which believed that any currency split be based on the euro, he noted.

UN Special Political Missions and Peacekeeping Operations Funding

¶9. (C) Giacomini noted that within the UN budget, Special Political Missions (SPM) and Peacekeeping Operations (PKO) always cost more than originally proposed. He said past budgets were never realistic, and that the largest donors -- the U.S., Japan and the EU -- would have to always assume a larger budget than advertised. Giacomini suggested that what was needed was a realistic budget accounting for both PKO and SPM to control costs. Anderson said the USG generally preferred to avoid separate budgets for capital improvement, as was proposed by the World Health Organization in the last

PARIS 00001930 003.4 OF 003

budget cycle. Giacomini noted similar problems for the International Labor Organization's renovation and capital investment plan which doubled during implementation after its budget was separated.

IAEA: Director General Candidates

¶10. (C/NF) Regarding candidates for the International Atomic Energy Agency (IAEA) director general position, Giacomini said that he knew that the Japanese and South Africans had offered candidates. While the GOF thought the Japanese candidate was qualified, the Iranians would most likely oppose the candidacy.

UNESCO: Concern over Egyptian Director General Candidate

¶11. (C/NF) The U.S. was concerned about the Egyptian

candidate for the director general position, Farouk Hosni, Anderson noted. Aside from pending reform issues yet to be resolved within the organization, the Egyptian candidate's public statements against Israel and other anti-Semitic remarks made it impossible for the U.S. to support such a candidate. Giacomini said he was unsure how strongly the Egyptians were pushing their candidate, but noted Morocco's decision to withdraw its own candidates suggests Egypt is seriously pursuing this position. The GOF is also uncomfortable with the Egyptian candidate. In the short term, France would take a wait and see approach until more candidates came forward. Anderson said the U.S. was working to promote the emergence of a more moderate candidate, for example from Brazil, but that the Brazilians had still not named anyone. Anderson noted that Egypt was lobbying the USG hard for Hosni. For the U.S., a successful candidate would have to be someone who could serve as a moderate to effectively balance tensions between Israel and its Arab neighbors, Anderson said. Anderson underscored the importance of this issue, by noting the U.S. participation in UNESCO could be called into question if Hosni was selected. Giacomini said the GOF would help push Egypt to consider other, less controversial candidates.

UNDP: U.S. Congress Pressing for More Reform

¶12. (C) Anderson reported on the Department's decision to certify to the U.S. Congress that UN Development Program (UNDP) was meeting appropriate transparency standards and to releasing \$20 million in withheld 2008 contributions. The USG welcomed the UNDP's January 2008 change in the internal audit review process to permit member states to review internal audit reports, while noting there had only been a short time since their implementation. The USG would welcome French participation in reviews of such audit reports, and would like to see similar practices put in place on across the UN as a whole, Anderson said.

WIPO: Support for new Director General

¶13. (C) Giacomini indicated that the GOF, like the USG, had no issues or objections to the election of new World Intellectual Property Organization (WIPO) Director General Francis Gurry. Anderson noted that Gurry had promised a plan to deal with personnel issues in the organization that was "balanced and gradual."

UNCTAD: Possible Secretary General Candidates

¶14. (C/NF) Anderson and Giacomini discussed proposing a donor country candidate to take over as secretary general of the UN Conference on Trade and Development (UNCTAD) with Giacomini noting some of the recipient countries would probably balk at that having a major donor country Secretary General.

¶15. (U) IO DAS Anderson has cleared this message.
STAPLETON